4/13/87 S6615-2

OREGON LABOR TRENDS

MARCH 1987

FEBRUARY INDICATORS

UNEMPLOYMENT RATE

Oregon	*(Seas. Adj.)*	
Feb.	1987	6.5
Jan.	1987	7.2
Feb.	1986	8.9
U.S.		
Feb.	1987	6.7
Jan.	1987	6.7
Feb.	1986	7.2

WAGE AND SALARY EMPLOYMENT INDEX

Oregon	*1977=100*	
Feb.	1987	115.4
Jan.	1987	114.8
Dec.	1986	114.2
Nov.	1986	113.8
Oct.	1986	113.7

DIFFUSION INDEX

Oregon		
Feb.	1987	62.4
Jan.	1987	59.7
Dec.	1986	5 .5
Nov.	1986	48.5
Oct.	1986	50.4

PRODUCTION WORKER AVERAGE WEEKLY HOURS

Oregon		
Jan.	1987	38.8
Dec.	1986	39.6
Jan.	1986	39.0

CONSUMER PRICE INDEX (CPI)

1967=100
ALL URBAN CONSUMERS
Portland MSA

Nov.	1986	318.0
Yearly Change		+ 0.3%
Annual Average	1986	316.8
Yearly Change		+ 1.4%

U.S.

Annual Average	1986	328.4
Yearly Change		+ 1.9%
Jan.	1987	333.1
Yearly Change		+ 1.4%

Portland Hotline 221-4132

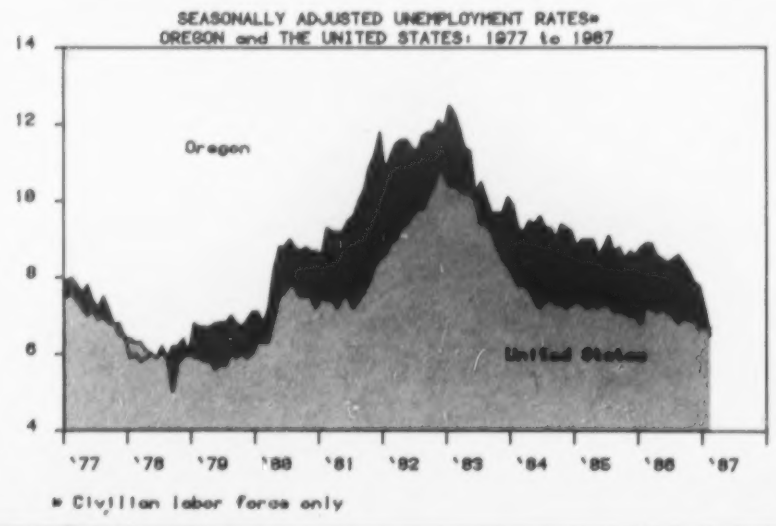
UNEMPLOYMENT — THE FACTS BEHIND THE FIGURES

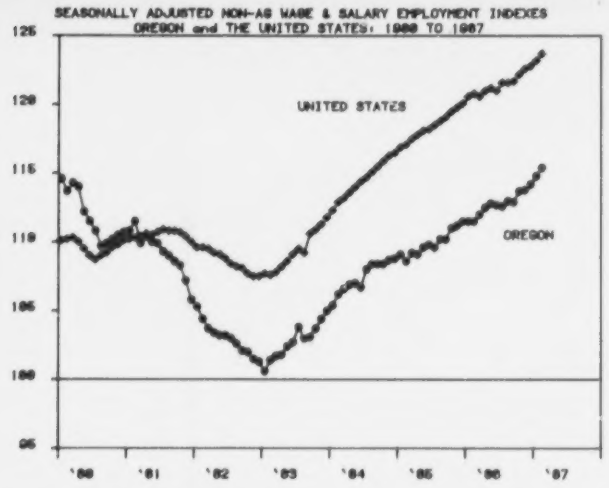
Jason Yohannan

In February, and for the first time since 1978, Oregon registered a lower seasonally adjusted unemployment rate than the United States as a whole. While the national economy has settled on an unemployment rate of 6.7% for December, January, and February, Oregon's rate has dropped to 7.8%, 7.2%, and 6.5% respectively. The dramatically improved unemployment rate seems almost unbelievable. This article will cover three subjects: 1) What does the unemployment rate mean?; 2) Is the rate really that low?; 3) If the rate is really that low, is the Oregon economy healthy now?

First, let's start with some basic definitions. Concepts of the labor force, employment, and unemployment in use now are similar to those first introduced in 1940. These concepts were developed by the federal government (the U.S. Department of Labor's Bureau of Labor Statistics), and they are consistent from state to state. These concepts split the labor force into those who are employed and those who are unemployed. One is employed if one is age 16 or over and:

- -worked at all (at least one hour) for pay or profit in a business or farm during the reference week. (The reference week is the week of each month which contains the 12th day of the month.); or
- -worked 15 hours or more as an unpaid family worker; or
- -was temporarily absent from a job because of illness, vacation, other personal reasons, bad weather, or a labor-management dispute.





One is unemployed if one is age 16 or over and:

- -had no employment at all during the reference week; and
- -was available for work and actively sought work at any time in any way in the past four weeks; or
- -was waiting to be called back to a job from which the person was laid off; or
- -was waiting to report to a new wage & salary job scheduled to start within the next 30 days.

Those not meeting the definition of either employed or unemployed are considered not in the labor force. Examples of those not in the labor force would be full-time students and other individuals who have no current interest in working, children, retired people, and discouraged workers who have given up their job search altogether. The unemployment rate, then, represents the percentage of individuals in the labor force who are unemployed. The rate most commonly seen for the State of Oregon has been seasonally adjusted to eliminate the effect of normal seasonal occurrences in the hope of identifying true, underlying economic changes.

Note these important distinctions:

1) One does not have to be collecting unemployment insurance to be counted as unemployed. An active job seeker without work who has no contact whatsoever with the Employment Division is still counted as unemployed under these concepts. In fact, increasing numbers of unemployed workers do not qualify for unemployment insurance benefits.

2) It makes no difference whether an employed person's job is full- or part-time. Someone who earns just two hours of pay during the reference week is counted as employed.

3) Income is not a factor in these determinations. A person is counted as employed regardless of whether the job pays $10.00 an hour or the minimum wage. The unemployment rate is not a measure of "underemployment", only "unemployment". Likewise, an independently wealthy person who really does not need any income would, in fact, be counted as unemployed if that person had no job but did look for one.

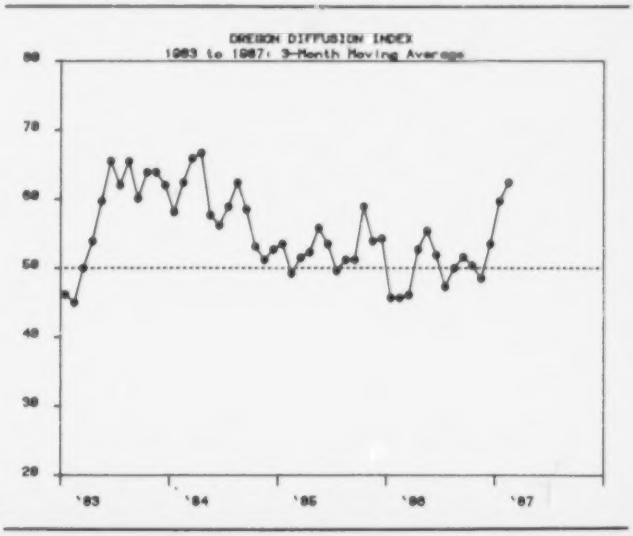
4) Discouraged workers, who by definition are no longer looking for work, are not counted in the labor force. National data are available, however, on the size of this group.

Given those ground rules, certain events have taken place to reinforce the low February unemployment rate. Wage & salary employment is now ahead of the prerecession level. Numbers just developed for 1986 showed total nonagricultural wage & salary employment in Oregon averaged 1,056,500. Prior to 1986, the highest level achieved was in 1979, when the average for the year was 1,056,200. In addition, 1987 has started with a bang. February's 1987 wage & salary jobs total, as shown in the accompanying table, is 35,700 higher than February 1986. The February 1987 wage & salary employment index, a seasonally adjusted indicator which allows comparisons between months, reached its highest point on record, 115.4.

We have experienced a mild winter, allowing work in certain weather-sensitive activities to continue, or at least to suffer less disruption than usual. (This "less-than-usual" disruption translates into improvement after seasonal adjustment.)

Oregon went through a longer and deeper recession than most other states. That's why we've had a higher unemployment rate than the Nation for eight years. While most of the rest of the country completed its "recovery" and moved on to "expansion", Oregon still had some catching up to do. Now, however, some positive and negative economic circumstances are affecting other parts of country differently than us. Consider:

1) The housing boom -- Lower interest rates, the generally improved economy, and continued favorable treatment under the new tax laws have made single-family housing much more affordable. Oregon is one of the prime beneficiaries, as housing has once again become a reliable consumer of Oregon timber products. Couple this with Canadian trade agreements regarding wood products and the settlement of last year's labor-management disputes, and the outlook is for a favorable



employment situation in 1987 for Oregon's basic industry. The falling dollar also increases the liklihood of a better situation for exports of timber products.

2) The oil price plunge -- Petroleum extraction and associated processing is a negligible industry in Oregon. Last year's price collapse has been a minor blessing for most of us. On the other hand, economies in states such as Louisiana, Texas, Oklahoma, and Alaska have been sent reeling by this event.

3) The farm crisis -- Agriculture is vital to Oregon's economy, but agriculture here is diverse. For instance, grain growers have been hurt recently. Prices for their product have fallen and export markets have diminished or disappeared. While grains are a very important crop in Oregon, they do not dominate the span of agricultural commodities here to the degree that they do in parts of the Midwest. On a large scale, then, problems in grain or cattle, for example, could more easily be offset in Oregon by good times in specialty horticultural products, berries, or vegetables. Also, the problems in some cases could be offset by improved crop quality in Oregon. In addition, the oil price drop mentioned earlier has helped hold the line on operating costs.

Employment at small firms has been quietly growing. While the media tends to focus on layoffs or closures at big firms (in part because that's where the "big" news is), most firms in Oregon are not "big business". The number of employing establishments in Oregon has grown steadily since the recession:

1983 = 66,602
1984 = 67,342
1985 = 68,037

Employment in nonmanufacturing industries has been growing with regularity. Many reasons exist to explain the growth. Real estate jobs have returned thanks to the housing affordability mentioned earlier. More home sales plus the refinancing of old loans which carried high interest rates have kept banks and savings & loans busy and have brought in fees and commissions. The flurry of activity in the stock market and all the maneuvering associated with adjusting to changed tax laws and financial environments have directed more individuals and organizations to brokers, investors, and financial advisors. Increased tourism in Oregon has brought more jobs to eating & drinking places, lodging places, and amusements. Our aging population and increased awareness of fitness have pushed up demand for health services. Growth in advertising plus increased "contracting out" for employment services, data processing services, janitorial services, etc. have made business services one of the fastest growing industries in America. All of these events are expected to continue into 1987.

Oregon's population has not been growing very quickly, if at all, during the 1980s. This tends to minimize the number of new entrants to the unemployed portion of the labor force. In addition, it could reflect a situation where unemployed workers left the State in search of greener pastures. The individuals would still be unemployed, but they would not be counted in Oregon. Although estimates of unemployed new entrants and reentrants to the Oregon labor force are only approximate, they do confirm this suspicion:

February 1985	new entrants	& reentrants	14,100
February 1986	"	"	14,300
February 1987	"	"	11,600

The driving forces behind the new entrants and reentrants computation are age and population. The drop in February 1987 indicates that not as many people (primarily youth) are coming into the labor force without a job as before. Yet others leave the labor force for reasons such as death or retirement.

More evidence comes from internal Employment Division data. Look at the trend in job placements by the Employment Service over the past few years:

Total job placements:	
February 1984	3,589
February 1985	3,375
February 1986	3,371
February 1987	4,342

Nonfarm Job Placements:	
July 1985 - February 1986	39,703
July 1986 - February 1987	43,669

All the signs say we have more jobs today. So all of our economic woes are over, right? No, not quite.

As mentioned earlier, the unemployment rate measures the totally jobless percent of the labor force. It does not measure, nor does it intend to measure, underemployment. No value judgment is made in this statistic as to the quality of the included jobs. Part-time workers who would work full-time if possible are common in today's labor market as are workers who would prefer to be in better-paying jobs. In either case, the affected workers are still counted as employed. One needs to look at more than the unemployment rate, then. For example, one should continue to follow the hours & earnings trends published monthly in this newsletter. Certainly, much has been made of the fact that average wages have not always kept pace with the increasing costs of living, implying that 100 jobs today do not necessarily equal 100 jobs yesterday.

Following that theme, one could make a case that employment is growing because more people need to work, and that has negative implications. The dual-income family comes quickly to mind. In order to maintain a desired standard of living, families who formerly needed only one spouse to work for "the good life" now choose to have both employed. Also, with single-parent families, there often is no choice. On a side note, this phenomenon has created its own new job market: child care services, convenience food, etc.

Finally, the surprisingly low February unemployment rate is not guaranteed for all of 1987. Much of the good news in February came from less-than-usual winter job losses which translated into seasonally adjusted improvement. We could face a situation, come spring or summer, where we experience less-than-usual job increases because not as much hiring will be necessary to meet employers' workloads. The translation will then be into negative seasonally adjusted statistics.

In sum, there is abundant evidence that the Oregon unemployment rate should be showing improvement, although the amount of improvement is quite surprising. This is certainly welcome news. On the other hand, one must keep in mind the definitions used in developing the unemployment rate before making conclusions about the Oregon economy. The falling rate, in itself, does not mean all is well.□

REVIEW OF THE 1986 POPULATION ESTIMATES FOR OREGON

Edward Schafer

(Editor's Note: Mr. Schafer is the Director of the Center for Population Research and Census at Portland State University.)

The 1986 round of population estimates produced by Portland State University's Center for Population Research and Census (CPRC) is now complete. However, this year's estimates seem to have generated a number of concerns, particularly with regard to their accuracy. This article reports on the results of the estimating process, and then attempts to evaluate these results in light of other estimates produced by the U.S. Bureau of Census and trends observed from other data sources.

1986 POPULATION ESTIMATES

The 1986 study estimated Oregon's population at 2,659,500 residents. This was an increase of 26,344 persons from the 2,633,156 inhabitants of the State enumerated in the 1980 Census. This increase represents a change of only 1.0 percent during the last six years. The reason for such a small change is the relatively large amount of out-migration experienced by Oregon since the last decennial census. The accompanying table illustrates this fact. Between 1980 and 1986 Oregon added 116,240 new residents to the population through natural increase (births minus deaths). However, this natural increase was largely offset by net migration of approximately -90,000.

COMPONENTS OF POPULATION CHANGE BY COUNTY, 1980-1986

County	April 1 1980 Census	July 1 1986 Estimate	80-86 Total Change	80-86 Births	80-86 Deaths	80 - 86 Natural Increase	80 - 86 Net Migration
Baker	16,134	15,500	-634	1,455	1,084	371	-1,005
Benton	68,211	66,100	-2,111	5,611	2,272	3,339	-5,450
Clackamas	241,911	248,200	6,289	21,236	10,949	10,287	-3,998
Clatsop	32,489	32,900	411	3,028	2,071	957	-546
Columbia	35,646	36,100	454	3,168	1,726	1,442	-988
Coos	64,047	57,500	-6,547	5,661	3,667	1,994	-8,541
Crook	13,091	13,500	409	1,285	779	506	-97
Curry	16,992	16,900	-92	1,301	1,093	208	-300
Deschutes	62,142	65,400	3,258	6,274	2,964	3,310	-52
Douglas	93,748	92,700	-1,048	8,743	4,859	3,884	-4,932
Gilliam	2,057	1,800	-257	198	92	106	-363
Grant	8,210	8,350	140	764	458	306	-166
Harney	8,314	7,100	-1,214	711	404	307	-1,521
Hood River	15,835	16,200	365	1,691	911	780	-415
Jackson	132,456	138,400	5,944	12,187	7,078	5,109	835
Jefferson	11,599	12,000	401	1,562	580	982	-581
Josephine	58,855	61,450	2,595	5,149	3,861	1,288	1,307
Klamath	59,117	56,700	-2,417	5,726	3,064	2,662	-5,079
Lake	7,532	7,300	-232	771	378	393	-625
Lane	275,226	261,650	-13,576	24,889	12,215	12,674	-26,250
Lincoln	35,264	36,900	1,636	3,130	2,527	603	1,033
Linn	89,495	86,050	-3,445	8,554	4,488	4,066	-7,511
Malheur	26,896	26,200	-696	3,036	1,370	1,666	-2,362
Marion	204,692	209,200	4,508	21,448	11,338	10,110	-5,602
Morrow	7,519	7,800	281	857	327	530	-249
Multnomah	562,647	566,200	3,553	55,158	34,611	20,547	-16,994
Polk	45,203	45,600	397	4,194	2,392	1,802	-1,405
Sherman	2,172	2,100	-72	197	104	93	-165
Tillamook	21,164	21,300	136	1,880	1,404	476	-340
Umatilla	58,861	58,700	-161	6,319	3,076	3,243	-3,404
Union	23,921	23,000	-921	2,360	1,187	1,173	-2,094
Wallowa	7,273	7,200	-73	735	417	318	-391
Wasco	21,732	21,600	-132	2,033	1,385	648	-780
Washington	245,860	273,300	27,440	26,509	9,353	17,156	10,284
Wheeler	1,513	1,500	-13	101	100	1	-14
Yamhill	55,332	57,100	1,768	5,927	3,024	2,903	-1,135
State	2633,156	2,659,500	26,344	253,848	137,608	116,240	-89,896

RESIDENT OREGON LABOR FORCE

	FEB. 1987 1/	JAN. 1987 2/	CHANGE	% CHANGE	FEB. 1986 5/
CIVILIAN LABOR FORCE 3/	1,365,100	1,370,500	- 5,400	- 0.4	1,317,000
UNEMPLOYMENT	101,900	115,000	- 13,100	- 11.4	133,500
PERCENT OF LABOR FORCE	7.5	8.4	XXX	XXX	10.1
SEASONALLY ADJUSTED PERCENT	6.5	7.2	XXX	XXX	8.9
TOTAL EMPLOYMENT 4/	1,263,200	1,255,500	7,700	0.6	1,183,500

1/ PRELIMINARY. 2/ REVISED. 3/ INCLUDES EMPLOYED AND UNEMPLOYED INDIVIDUALS 16 YEARS AND OLDER. DATA ARE ADJUSTED FOR MULTIPLE JOB-HOLDING AND COMMUTING. 4/ INCLUDES NONAGRICULTURAL WAGE AND SALARY, SELF-EMPLOYED, UNPAID FAMILY WORKERS, DOMESTICS, FARM WORKERS, AND LABOR DISPUTANTS. 5/ DUE TO REVISED ESTIMATING PROCEDURES BETWEEN DECEMBER 1986 AND JANUARY 1987, DATA FOR 1987 AND THAT OF PREVIOUS YEARS ARE NOT STRICTLY COMPARABLE.

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
(BY PLACE OF WORK)

INDUSTRY	FEB. 1987 1/	JAN. 1987 2/	FEB. 1986	CHANGE FROM JAN. 1987	CHANGE FROM FEB. 1986
TOTAL 3/	1,061,000	1,051,800	1,025,300	9,200	35,700
WAGE & SALARY EMPLOYMENT INDEX 4/	115.4	114.8	111.5	XXX	XXX
DIFFUSION INDEX 5/	62.4	59.7	45.7	XXX	XXX
TOTAL MANUFACTURING	191,300	189,200	190,600	2,100	700
DURABLE GOODS	139,300	139,100	140,000	200	- 700
LUMBER & WOOD PRODUCTS	62,800	63,300	61,000	- 500	1,800
LOGGING & SAWMILLS	31,400	32,000	30,900	- 600	500
VENEER & PLYWOOD	17,200	17,200	16,200	0	1,000
MILLWORK & STRUCTURAL WOOD	9,400	9,300	8,900	100	500
MOBILE HOMES	1,200	1,200	1,300	0	- 100
OTHER WOOD PRODUCTS	3,600	3,600	3,700	0	- 100
FURNITURE AND FIXTURES	2,400	2,300	2,500	100	- 100
STONE, CLAY, GLASS & CONCRETE	3,000	2,900	3,000	100	0
PRIMARY METALS	8,500	8,500	8,700	0	- 200
BLAST FURNACES, IRON & STEEL	5,200	5,200	5,400	0	- 200
NONFERROUS METALS	3,300	3,300	3,300	0	0
FABRICATED METALS	10,100	10,000	10,800	100	- 700
FABRICATED STRUCTURAL METALS	4,500	4,500	5,100	0	- 600
OTHER FABRICATED METALS	5,600	5,500	5,700	100	- 100
MACHINERY	14,500	14,600	14,900	- 100	- 400
ELECTRICAL EQUIPMENT & SUPPLIES	13,000	12,900	13,200	100	- 200
TRANSPORTATION EQUIPMENT	10,400	9,900	9,500	500	900
INSTRUMENTS & RELATED PRODUCTS	12,000	12,100	14,100	- 100	- 2,100
MISCELLANEOUS MANUFACTURING	2,600	2,600	2,300	0	300
NONDURABLE GOODS	52,000	50,100	50,600	1,900	1,400
FOOD & KINDRED PRODUCTS	20,900	19,300	20,300	1,600	600
CANNING & PRESERVING	10,400	8,700	10,100	1,700	300
OTHER FOOD PRODUCTS	10,500	10,600	10,200	- 100	300
TEXTILE MILL PRODUCTS	1,500	1,500	1,600	0	- 100
APPAREL	2,400	2,400	2,300	0	100
PAPER & ALLIED PRODUCTS	8,800	8,800	8,900	0	- 100
PRINTING & PUBLISHING	11,900	11,800	11,400	100	500
CHEMICALS & ALLIED PRODUCTS	2,100	2,100	2,100	0	0
PETROLEUM REFINING	400	300	400	100	0
RUBBER & PLASTIC PRODUCTS	3,500	3,400	3,200	100	300
LEATHER PRODUCTS	500	500	400	0	100

NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT
(BY PLACE OF WORK)

INDUSTRY	FEB. 1987	JAN. 1987	FEB. 1986	CHANGE FROM JAN. 1987	CHANGE FROM FEB. 1986
(CONT.)					
TOTAL NONMANUFACTURING	869,700	862,600	834,700	7,100	35,000
MINING & QUARRYING	1,300	1,200	1,200	100	100
CONSTRUCTION	28,800	29,000	30,100	- 200	- 1,300
TRANSPORTATION, COMMUNICATIONS, & UTILITIES	56,900	57,000	55,700	- 100	1,200
TRANSPORTATION	35,900	36,000	34,200	- 100	1,700
RAILROAD	4,100	4,200	4,500	- 100	- 400
TRUCKING & WAREHOUSING	20,800	20,900	18,800	- 100	2,000
OTHER TRANSPORTATION	11,000	10,900	10,900	100	100
COMMUNICATIONS	12,600	12,600	12,900	0	- 300
UTILITIES	8,400	8,400	8,600	0	- 200
TRADE	265,100	267,000	254,900	- 1,900	10,200
WHOLESALE TRADE	66,600	66,600	65,800	0	800
DURABLE GOODS	39,000	39,100	38,800	- 100	200
NONDURABLE GOODS	27,600	27,500	27,000	100	600
RETAIL TRADE	198,500	200,400	189,100	- 1,900	9,400
GENERAL MERCHANDISE	24,800	26,300	25,000	- 1,500	- 200
FOOD STORES	33,000	33,000	29,700	0	3,300
AUTO DEALERS & SERVICE STATIONS	24,600	24,600	23,800	0	800
OTHER RETAIL TRADE	116,100	116,500	110,600	- 400	5,500
FINANCE, INSURANCE, & REAL ESTATE	70,800	70,700	67,100	100	3,700
BANKING & CREDIT AGENCIES	23,800	23,900	23,200	- 100	600
OTHER FINANCE, INSURANCE, & REAL ESTATE	47,000	46,800	43,900	200	3,100
SERVICES	239,000	233,300	222,300	5,700	16,700
HOTELS & PERSONAL SERVICES	25,100	24,700	24,100	400	1,000
HEALTH SERVICES	74,500	74,200	71,000	300	3,500
OTHER SERVICES	139,400	134,400	127,200	5,000	12,200
GOVERNMENT	207,800	204,400	203,400	3,400	4,400
FEDERAL GOVERNMENT	28,700	28,500	28,400	200	300
STATE GOVERNMENT	57,500	56,100	55,300	1,400	2,200
EDUCATION	25,200	24,100	24,400	1,100	800
OTHER STATE	32,300	32,000	30,900	300	1,400
LOCAL GOVERNMENT	121,600	119,800	119,700	1,800	1,900
EDUCATION	79,100	77,100	78,200	2,000	900
OTHER LOCAL	42,500	42,700	41,500	- 200	1,000
LABOR-MANAGEMENT DISPUTES	0	0	0	0	0

1/ PRELIMINARY

2/ REVISED

3/ INCLUDES FULL AND PART-TIME NONFARM WAGE AND SALARY WORKERS IN PAY PERIODS INCLUDING THE 12TH OF THE MONTH. PROPRIETORS, SELF-EMPLOYED, PRIVATE HOUSEHOLD WORKERS AND ARMED FORCES EXCLUDED. NOTE: ESTIMATED IN COOPERATION WITH THE U.S. BUREAU OF LABOR STATISTICS AND EMPLOYMENT AND TRAINING ADMINISTRATION. ALL DATA ARE BASED ON THE 1972 STANDARD INDUSTRIAL CLASSIFICATION (SIC) CODES AS AMENDED BY THE 1977 SUPPLEMENT.

4/ TOTAL NONAGRICULTURAL WAGE AND SALARY EMPLOYMENT, SEASONALLY ADJUSTED, AND INDEXED TO 1977. DATA ON THE EARLIER INDEX (1972 = 100) CAN BE CONVERTED TO THE 1977 BASE PERIOD BY MULTIPLYING BY A FACTOR OF .8264, THE RATIO BETWEEN 1972'S ANNUAL AVERAGE EMPLOYMENT (774,300) AND THAT OF 1977 (936,900).

5/ THE DIFFUSION INDEX IS THE PERCENTAGE OF A SELECTED GROUP OF 43 INDUSTRIES SHOWING AN INCREASE IN SEASONALLY ADJUSTED EMPLOYMENT. HALF OF THOSE INDUSTRIES SHOWING NO SIGNIFICANT CHANGE (LESS THAN 1/2 OF 1%) ARE COUNTED AS INCREASING.

While the State's population as a whole grew between 1980 and 1986, there were 18 counties which experienced actual population losses. The extent of loss ranged from a low of 13 for Wheeler County to a high of 13,576 in Lane County. Counties which lost population were located in the Willamette Valley, the Southern Coastal Region and Eastern Oregon. Counties which gained population during the last six years tended to be concentrated in the Northern Willamette Valley metropolitan regions, the Central and North Coasts, and the Central Oregon region.

Since all counties have experienced positive natural increase since 1980, the reason for the loss of total population within the 18 counties was excessive out-migration. As the table indicates, the loss of population through net migration was widely distributed throughout the State. Sixteen of the 36 counties had negative net migration in excess of 1,000 persons. These counties were located in most of the major geographic regions around the State, with the exceptions of the North and Central Coasts (Clatsop and Tillamook Counties and Lincoln County, respectively), Central Oregon (Crook, Deschutes and Jefferson Counties), and the Rogue River Valley (Jackson and Josephine Counties). Particularly heavy out-migration occurred in Lane and Multnomah Counties with losses of 26,250 and 16,994, respectively. Other counties with net migration losses in excess of 2,000 residents include Coos (-8,541), Linn (-7,511), Benton (-5,450), Klamath (-5,079), Douglas (-4,932), Malheur (-2,362) and Union (-2,094). Only four counties have experienced positive net migration during the last six years: Washington (10,284), Josephine (1,307), Lincoln (1,033) and Jackson (835).

1986 POPULATION ESTIMATE: FACT OR FICTION?

Estimates always contain some degree of error. For instance, CPRC's 1980 population estimate for the State was within two percent of the total enumerated in the 1980 Census, while the average absolute percentage error for the counties was between four and five percent. Overall, the Population Center's estimate proved more accurate than those produced by the U.S. Census Bureau. Yet, this past experience does not ensure future accuracy.

Currently, there are a number of questions being raised throughout the State about the results of the 1986 estimates. Most of these questions focus on the population trend implied by the comparisons of the 1986 estimates with those of 1985. While it is tempting to make year-to-year comparisons in order to obtain information about very recent trends, this type of analysis is not usually valid. Since the estimating technique always begins from the last actual census, a valid assessment of the estimates should proceed from the same origin, i.e., is the trend implied by the 1986 estimate consistent with the same six-year trend in other data sources?

The most serious attack on the credibility of the current CPRC population estimates arises from the population estimates produced by the U.S. Bureau of the Census. Their 1986 study concludes that Oregon's population is 2,698,000, or 38,500 higher than the CPRC estimate. However, this Census Bureau's estimate is actually the average of two independent working estimates. Both of these working estimates are produced by methodologies different from that used by CPRC.

An examination of the two federal working estimates which ultimately produce the final estimate for Oregon reveals that the difference between the published CPRC and Census Bureau estimates is due to only one of the working estimates produced by the latter agency. That is, one of the federally produced estimates is nearly identical to that produced by CPRC; however, the second Census Bureau estimate is approximately 77,000 larger than the CPRC estimate. Thus, with three independently produced estimates, two of which are nearly identical and one which is considerably larger, it would appear that there would be more questions about the credibility of the larger estimate than of the two consistent estimates.

The one data source which provides the strongest evidence in support of the 1986 estimate is the labor force data produced by the Oregon Employment Division. According to the Division's estimates, the State's labor force has increased by approximately 71,700 persons between March 1980 and July 1986. However, if we assume that the labor force participation rates have remained about the same during the last six years we would have expected to see an increase in the State's labor force of approximately 124,000 persons under the additional assumption of zero net migration. Thus, the most plausible explanation for the less than expected growth in the State's labor force is a very sizeable flow of migrants out of the State. This is exactly what is implied by the current population estimates.

The final data source which lends support to the 1986 population estimate produced by CPRC comes from an article written by Rick Hawes which appeared in the September 1986 issue of Oregon Labor Trends. In that article, data were presented which indicated a continued out-migration of unemployment insurance claimants from Oregon in excess of the in-migration to Oregon of unemployment claimants from other states. The pattern of migration of these claimants to and from Oregon since 1980 was consistent with the migration implied by the current population estimate for the State.

In summary, it appears that CPRC's estimates are not consistent with the perceptions of many people throughout the State. However, the population estimates track well with other independently produced data sources. Without convincing evidence to the contrary, to disregard the results of a methodology which has proven itself accurate in the recent past would be a move toward population estimating by conjecture and away from estimating through careful demographic analysis.□

HOURS & EARNINGS

Graham Slater

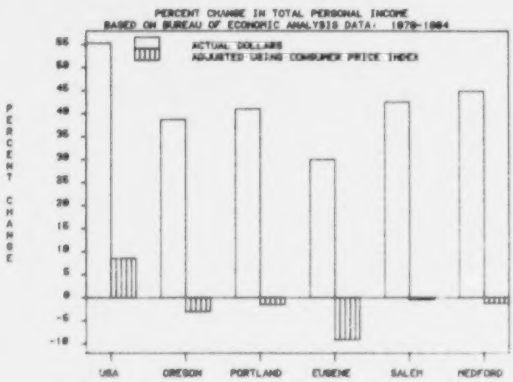
If a picture paints a thousand words, five graphs must be verbose.

And yet, they do make a point.

Recently published data from the Bureau of Economic Analysis (BEA) indicates that amongst Oregon's MSAs, Portland ranks third out of four in terms of percentage growth in personal income between 1979 and 1984. Setting aside the temptation to make rash generalizations based on this data, the thoughtful interpreter should acknowledge that personal income data may not be the best indicator of overall economic well-being.

In fact, while growth in personal income appears to have been steady and substantial over these years, the trend in average hourly earnings and average weekly earnings has been much less positive. And, when allowing for inflation, it is apparent that the earnings of most Oregonians, particularly in the manufacturing industries on which the data are based, have been severely eroded in the last seven years.

Without further comment, let the graphs speak for themselves.



AVERAGE HOURS AND EARNINGS OF OREGON INDUSTRIAL PRODUCTION WORKERS 1/

	Average Weekly Earnings			Average Weekly Hours			Average Hourly Earnings		
	Jan. 2/ 1987	Dec. 3/ 1986	Jan. 1986	Jan. 2/ 1987	Dec. 3/ 1986	Jan. 1986	Jan. 2/ 1987	Dec. 3/ 1986	Jan. 1986
TOTAL MANUFACTURING 4/	$412.44	$416.20	$416.13	38.8	39.6	39.0	$10.63	$10.51	$10.67
Durable Goods	414.22	421.30	425.58	39.3	40.2	39.7	10.54	10.48	10.72
Lumber & Wood Products	409.64	427.73	437.10	38.5	40.2	39.7	10.64	10.64	11.01
Logging & Sawmills	431.66	460.00	461.38	38.2	40.6	39.1	11.30	11.33	11.80
Veneer & Plywood	406.64	415.90	448.45	39.1	40.3	41.6	10.40	10.32	10.78
Millwork & Struct Wood	354.88	352.91	353.70	38.7	39.3	39.3	9.17	8.98	9.00
Mobile Homes	302.24	-264.26	287.77	35.6	31.8	33.5	8.49	8.31	8.59
Other Wood Products	409.50	427.11	427.75	39.0	40.6	39.1	10.50	10.52	10.94
Furniture & Fixtures	315.90	324.72	314.81	39.0	41.0	39.4	8.10	7.92	7.99
Primary Metals	489.62	489.95	474.61	40.7	41.0	40.6	12.03	11.95	11.69
Fabricated Metals	369.38	381.35	388.47	38.8	39.6	38.5	9.52	9.63	10.09
Machinery	424.79	444.40	407.05	38.9	40.4	37.9	10.92	11.00	10.74
Nondurable Goods	408.00	404.92	387.82	37.5	38.2	36.9	10.88	10.60	10.51
Food & Kindred Products	332.99	332.68	322.02	35.5	36.2	34.7	9.38	9.19	9.28
Canning & Preserving	283.85	280.25	245.54	35.0	34.9	31.2	8.11	8.03	7.87
Other Food Products	387.00	399.09	413.12	36.0	37.9	38.9	10.75	10.53	10.62
Textile Mill Products	244.69	247.13	244.68	37.3	37.5	38.9	6.56	6.59	6.29
Apparel	220.15	250.81	221.94	37.0	42.8	38.8	5.95	5.86	5.72
Paper & Allied Products	638.49	642.60	608.59	42.2	42.0	40.6	15.13	15.30	14.99
Printing & Publishing	433.99	418.29	380.80	36.5	36.5	35.0	11.89	11.46	10.88
Construction 4/	442.47	456.57	473.96	32.8	34.2	34.0	13.49	13.35	13.94
Communications & Utilities 5/	506.17	516.65	501.39	40.3	40.3	40.5	12.56	12.82	12.38
Trade 5/	273.90	283.37	280.39	33.0	34.1	33.3	8.30	8.31	8.42
Wholesale Trade	375.95	386.08	380.51	36.5	36.7	36.8	10.30	10.52	10.34
Retail Trade	227.65	237.21	232.58	31.4	32.9	31.6	7.25	7.21	7.36
Banking & Insurance	311.18	305.11	294.47						
State & Local Government	354.33	354.47	342.02						

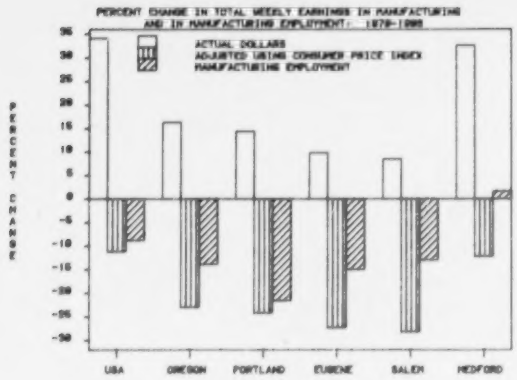
1/ Figures are average gross hours and earnings of full and part-time worked or paid for, including overtime and shift premium pay. Prepared in cooperation with the U.S. Department of Labor. All data are based on the 1972 Standard Industrial Classification (SIC) codes.

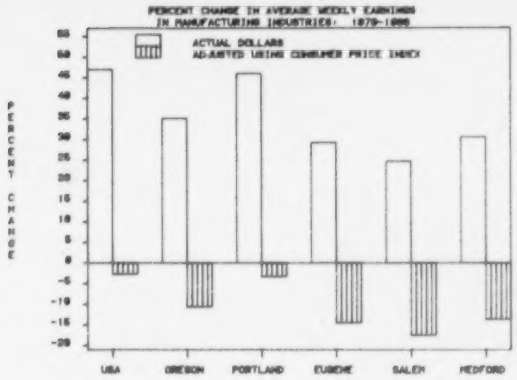
2/ Preliminary

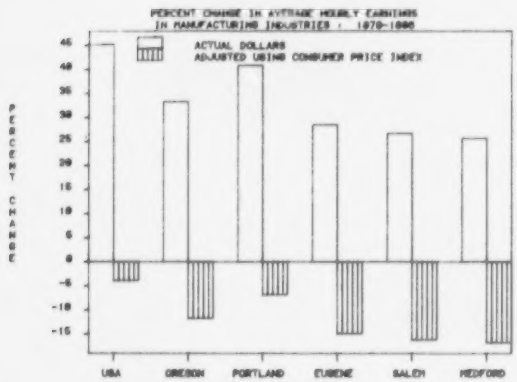
3/ Revised

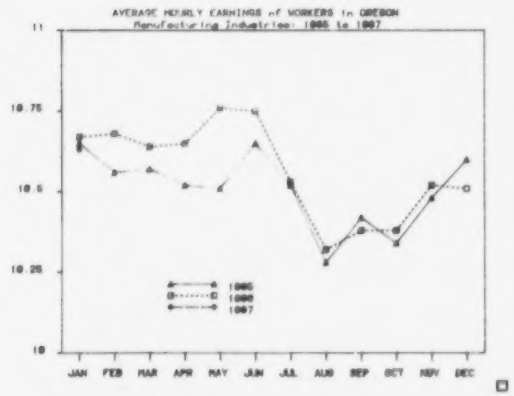
4/ Data for production workers only and exclude administrative, supervisory (above working foremen), technical, sales and office personnel.

5/ Data for nonsupervisory employes only, excluding proprietors and executive personnel. Data for retail trade excludes eating and drinking places.









EMPLOYERS CORNER — THE WORKFORCE OF TOMORROW

Dorothy Monnier

Being realistic, by the year 2000, when you walk into a McDonald's restaurant, you may not be greeted by a 16-19 year old teenager. Instead, you may be waited on by a 65 year old employee who may not be able to jump over the counter to greet you, but who has many other favorable characteristics. Nationwide, employers are realizing the value of older workers and realize the importance of bringing them back into the workplace to meet the upcoming labor shortage of teenagers.

At a recent speech in Bend at a Job Service Employers' Committee meeting, Ray Thorne, Employment Division Administrator, shared some interesting statistics.

"One of the most significant changes that will occur in the next decade is the aging of Oregon's population as the huge 'baby boom' generation reaches middle age. If we just look at the population between the ages of 16 and 65, which is the group most likely to be in the labor force, nearly 97% of the 306,000 projected increase is accounted for by those aged 35 to 54. Two-thirds of the total increase will come in the 40-49 year age bracket alone. The number of people in their 20's and 60's, however, will actually decline. The number in their 70's and beyond will increase, having an effect on the labor force.

"As the number of young people in the population declines, labor shortages in some entry level occupations and industries (primarily related to services and retail trade) may occur. This will tend to hasten the introduction of labor saving equipment and methods, and could also result in higher wages and benefits in order to attract more young people, and even older workers, into the labor market".

THINK ABOUT IT!!! Who is going to fill the jobs that customarily have been filled by youths between the ages of 16-19? It's going to be the older worker because as indicated above, that is the available workforce. If more older workers are to be hired, then industry needs to create an image that there are jobs anyone can do regardless of age. Consideration also must be given to retaining those employees who normally would retire at age 65.

REMEMBER:

There are a lot of talented older workers who want to work part-time and who are:

- Committed to quality.
- Loyal and dedicated.
- Able to get along with co-workers.
- Practical and reliable.□

NEW LABOR SURPLUS AREAS

Jeff Hannum

Each year the U.S. Department of Labor issues a list of areas throughout the country that have high unemployment rates. Employers located in these high unemployment, or "Labor Surplus", areas are potentially eligible for bidding preference on certain Federal procurement contracts. Normally, the new lists are issued by the Labor Department in September and are effective from October 1 through September 30.

Last fall, the Labor Department temporarily extended the October 1985 - September 1986 list of labor surplus areas until it could fully implement the labor surplus area provisions of public law 99-272. Under the new law, the designations are now determined for all cities with a population of at least 25,000 and all counties. (Under the old law, the population criterion for cities was 50,000 or more.)

An area is classified as a labor surplus area when its average unemployment rate is at least 20% above the average unemployment rate for all states during the previous two calendar years. In 1984-85, the average unemployment rate for the U.S. was 7.5%. Therefore, the "trigger rate" for labor surplus area designation this fiscal year is 9.0% or higher. The following table lists 30 areas in Oregon which were recently designated labor surplus areas by the U.S. Department of Labor for the period April 1, 1987 through September 30, 1987. Employers located in any of these areas, or which agree to carry out a substantial portion of the contract in a labor surplus area, currently qualify for bidding preference on certain federal procurement contracts.

Employers interested in bidding on federal contracts should consult the Commerce Business Daily which lists federal contracting requirements and indicates those to be awarded under preference procedures. The Seattle Business Service Center of the General Services Administration can provide additional information concerning Federal contracting opportunities in Alaska, Idaho, Oregon and Washington.

Oregon Labor Surplus Areas
Eligible for Federal Procurement Preference
April 1, 1987 through September 30, 1987

Area	Unemployment Rate (1984-85 Average)
Baker County	14.0
Clatsop County	9.5
Columbia County	9.6
Coos County	13.7
Crook County	9.6
Curry County	11.6
Deschutes County	11.3
Douglas County	11.5
Grant County	12.5
Harney County	11.3
Hood River County	13.0
Jefferson County	11.2
Josephine County	11.2
Klamath County	11.8
Lake County	10.9
Lincoln County	10.2
Malheur County	10.5
Morrow County	11.5
Tillamook County	11.5
Umatilla County	11.6
Union County	12.1
Wallowa County	13.3
Wasco County	14.2
Wheeler County	11.1
Albany City	10.3
Medford City	9.7
Springfield City	11.8
Balance of Jackson County (less Medford)	9.8
Balance of Lane County (less Eugene & Springfield)	9.5
Balance of Linn County (less Albany)	13.8

Contact: General Services Administration
440 Federal Bldg.
915 Second Ave.
Seattle WA 98174
Attn: Wiletta Brown
Ph. (206) 442-5556 □

OREGON LABOR TRENDS

The Oregon Labor Trends is published monthly by the Research and Statistics Section of the Oregon Employment Division, Raymond P. Thorne, Administrator.

Send comments, questions, and address changes ATTN: Jeff Hannum, R&S-LMI or Phone (503) 378-2736 or toll free 1-800-237-3710 ext. 8-8657.

Material contained in this publication is in the public domain and may be reproduced without special permission. Please credit OREGON LABOR TRENDS, Oregon Employment Division.

STATE OF OREGON
EMPLOYMENT DIVISION
DEPARTMENT OF HUMAN RESOURCES
875 UNION STREET N.E.
SALEM, OREGON 97311

OFFICIAL BUSINESS
PENALTY FOR PRIVATE
USE $300

U.S. MAIL

POSTAGE AND FEES PAID
EMPLOYMENT SECURITY MAIL

90005038-01
CONGRESSIONAL INFORMATION SVC DEPT
SRI
4520 EAST-WEST HIGHWAY
BETHESDA MD 20814